Setting up of Media Lab

3345. SHRI R.S. GAVAI: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have set up a Committee to take care of attack on critical infrastructure networks;

(b) if so, the details thereof;

(c) whether there is any proposal for setting up a "media lab' in the country with the help of Massachussets Institute of Technology in the country;

(d) if so, the details thereof; and

(e) the financial requirement of setting the "media lab?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) The Government is considering to set up a high level security panel to ensure protection of inforamtion infrastructure in the critical sectors in the country on the lines of National Infrastructure Protection Centre set up in USA. However, no firm proposal in this regard has yet been drawn up.

(c) to (e) A proposal to set up Media Lab Inida in collaboration with Massachussets Institute of Technology, USA is under consideration. It will focus on developing technologies of the future in the field of IT such as Internet and Multimedia and aim at generating ideas and entrepreneurship of international calibre, focus on use of futurisitc technologies for solving problems, of Indian context; and create ambience for studetns, faculty, entrepreneurs, industry and users to work together in a creative environment. To consider the matter further and prepare a detailed project document, a Technical Committee and a Steering Committee have been set up.

Foreign Companies Investment in I.T. Sector

3346. PROF. M. SANKARALINGAM: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether any foreign companies have been allowed to invest in the IT sector;

(b) if so, the details thereof;

(c) the steps taken by Government to accelerate development in the IT Sector to keep pace with the international IT sector; and

(d) the details of the resolutions passed in the recently held IT Conference?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) The details of the number of foreign investment proposals approved during the period 1.8.1991 to 30.6.2000 are as under:—

Particulars	Total No. of Approvals	Technical Approvals	Financial Approvals	Amount of FDI approved (Rs. in Crores)
Computer Software Hardware Electronics Sector	1794	233	1561	11,122.47

(c) The details in this regard are at given in the Statement I (*See* below).

(d) The first National conference of IT Ministers held at Delhi on 15th July 2000 drew up a Common Action Plan to promote IT in India. The Action Plan in given in the Statement II. (*See* below).

Statement I

Incentives to IT Sector

To encourage and promote information technology business abroad, the Government of India has abolished licensing and simplified the procedures to make them transparent. The following major steps have been taken to promote export of IT Sector.

(1) To provide legal framework so as to facilitate Electronic Commerce in the country, the Government has drafted Information Technology Act. The act provides legal framework for amongst others recognition of electronic contracts, prevention of computer crimes, and electronic filling/ documents. the mechanism of digital signature has been approved to address the issues of jurisdiction, authentication and origination.

(2) Export Promotion Capital Goods (EPCG) Scheme at 5% duty.

(3) Foreign direct Investments up to 100% allowed.

(4) Software Technology Parks Scheme.

(5) Special Stock Option Schemes for Indian Software Companies linked with ADR/GDR offering.

(6) Working Capital Finance to Information Technology and Software industry.

(7) Sweat Equity has been introduced in the Companies Act.

(8) Domestic Tariff Area (DTA) access up to 50% of FOB value of exports for units under Export Oriented Unit (EOU)/Export Processing Zone (EPZ)/Software Technology Parks (STP) Scheme

(9) Depreciation of Computer 11760% per annum.

(10) Reduction in Custom Duty on computer and peripherals to 15%. The customs duty on all storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors is 1170%.

(11) Software exempted from custom duty and excise duty.

(12) Relaxation in income tax to software units under EOU/DPZ/STP Schemes.

(13) Exemption of withholding tax on interest on External Commercial Borrowings.

(14) Computer systems have been made freely importable. The donation of used computers to educational institutes, hospitals etc. have been permitted duty free from units in EOU/EPZ/STP/ Electronics Hardware TEchnology Park (EHTP).

(15) Exemption on income from dividends on Venture Capital Fund.

(16) ""Business Support Centre" has been opened in ""Silicon Valley" California, USA to assist small & medium enterprises in establishing strategic alliance in the US.

STATEMENT-II

FIRST NATIONAL CONFERENCE OF IT MINISTERS

Common Action Plan to promote IT in India

The first-ever National Conference of IT Ministers was held in New Delhi today, July 15, 2000. The Prime Minister, Shri Atal Bihari Vajpayeee, inaugurated the Conference, in which as many as fourteen Ministers of various States also participated.

The Conferene thanked the Prime Minister for announcing the following three landmark decisions.

(1) Full deregulation of National Long Distance Operations (NLDO), before August 15, 2000, with no restriction on the number of licenses to be issued.

(2) Complete demonopolization of undersea optical fiber connectivity for ISPs by August 15, 2000. The private ISPs willbe allowed, either singly or jointly, to set up their own landing stations anywhere in India in collaboration with international undersea bandwidth carriers.

(3) A Task Force on human resource development in IT to prepare long-term strategy for significanly increasing the number of well-trained IT professionals. The Task Force will draw a plan to optimally use the existing infrastructure of the IITs, RECs, other engineering colleges and educational institutions to double their student intake from the next academic year and triple it in the next two years. The.Task Force will comprise Ministers of HRD, IT and Finance, along with representatives from State Governments.

These decision will go a long way to strengthen the country's telecom infrastructure and infrastructure for IT education.

After comprehensive and highly productive deliberations, the conference adopted the following consensus Action Plan to promote IT in India.

(1) The Union Government and the State Governments will allow free Right of Way facility, with no charge in cash or kind, to access providers to lay optical fiber networks along National highways, State highways, and other roads. Only a nominal restoration fee will be charged for providing this facility.

(2) The physical and civic infrastructure of the existing and emerging IT development centres will be improved.

(3) Development of Indian languages on computers and creation of useful content on the Internet in all Indian languages will be promoted.

(4) Facilities for IT education and IT-based education will be expanded and improved. For this, the resources and expertise of the private sector educational organizations, will be synergized with those of government and other established educational institutions.

(5) The Union and State Governments will take specific measures to promote e-governance to improve transparency, accountability and efficiency.

(6) The Centre will reduce customs and excise regime for optical fiber, IT hardware, set to p boxes, other Internet access devices, and TV sets for distance education and extension programs.

(7) There shall be no Sales tax and other State Taxes on the IT sector for the next three to five years.

(8) The accreditation mechanism for IT education shall be strengthened, by among other things, decentralizing the power of the AICTE to the States.

(9) The decision on setting up of private Universities should be speeded up Private Universities should be set up in consultation with the State Governments.

(10) Availability of bandwidth must precede the demand. This is essential as there is a gap between demand and supply of the bandwith namely international, national long distance, last mile and satelite. All the fouro elements of telecom infrastructure need to be enhanced and improved in terms of reliability and quality also.

(11) A special rate for Internet access to educational institutions may be considered. All ISPs may be urged to extend special rates. ISPs may also be urged to levy a flat rate for internet usage for all other Internet dial-up subscribers.

(12) Internet international gateways already sanctioned must become operational by August 15, 2000.

(13) Permission may be given for utilization of Ku band for educaitonal, health and other Government broadcasts.

Software Parks

3347. SHRI NANA DESHMUKH:
SHRI B. J. PANDA:
SHRI MAN MOHAN SAMAL:

Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the States where new software parks have been set up;

(b) whether Government have proposal to set up software parks in every district;

(c) if so, the fund proposed to be borne by Government for the establishment of new technology parks in different districts in 200-2001;